

Belvedere:
Jerry Butler

May 26, 2005

Corte Madera:
Melissa Gill

TO: Transportation Authority of Marin Commissioners

Fairfax:
Lew Tremaine

RE: Short Term Borrowing (Loan) for FY 2004-05 – Agenda Item 9

Larkspur:
Joan Lundstrom

Mill Valley:
Dick Swanson

Novato:
Pat Eklund

Ross:
Tom Byrnes

San Anselmo:
Peter Breen

San Rafael:
Al Boro

Sausalito:
Amy Belser

Tiburon:
Alice Fredericks

County of Marin:
Susan Adams
Hal Brown
Steve Kinsey
Charles McGlashan
Cynthia Murray

Dear Commissioners:

At the November 18, 2004 meeting of the TAM Board, an allocation of \$3,462,000 in Measure A funds was made to the Marin County Transit District to maintain local and specialized transit service for FY 2004-05. This allocation anticipated that funds would be disbursed in advance of receipt of sales tax funds and that some form of borrowing would be required to meet cash flow needs. At the same time, the Board authorized a request to borrow \$1.3 million from the County of Marin as a “dry period” loan to meet cash flow requirements. The “dry period” loan allows borrowing up to 80% of the projected Measure A revenues within a fiscal year. Given that only one month of sales tax collections will be received before the end of FY 2004-05, a loan spanning more than one fiscal year is required to disburse \$3,462,000 to MCTD by June 30, 2005.

TAM staff and their consultants are considering several options for borrowing funds. The two most promising approaches appear to be a short-term loan with a commercial bank or a line of credit. The County Treasurer and Tax Collector’s office is assisting TAM in evaluating these options and will help complete the selected transaction.

Other options such as borrowing from other agencies have been considered, but these options are more difficult and costly to execute. A review of the borrowing options and a recommended approach will be presented to the Board at the May 25, 2006 meeting.

Respectfully Submitted,

Craig Tackabery
Executive Director